

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 NEAE-00 AID-05 CIAE-00 COME-00
EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01
NSC-05 SS-15 STR-04 CEA-01 IGA-02 L-03 H-01 PA-01
PRS-01 ABF-01 AGRE-00 INT-05 /093 W
-----005691 111334Z /42

P 111046Z JUL 77

FM AMEMBASSY DAMASCUS
TO SECSTATE WASHDC PRIORITY 3862

C O N F I D E N T I A L DAMASCUS 4331

SECSTATE PASS FEDERAL RESERVE BANK

E.O. 11652: GDS

TAGS: EFIN

SUBJ: REVALUATION OF SYRIAN POUND

1. ACCORDING TO ACTING GOVERNOR SYRIAN CENTRAL BANK AQQAD SYRIAN MONETARY AUTHORITIES HAVE BEEN WATCHING DECLINE IN VALUE OF DOLLAR IN EURLEPEAN MARKET WITH GREAT CONCERN. AT PRESENT SYRIAN POUND TIED TO DOLLAR AT RATE OF 3.9/3.95. SHOULD DOLLAR CONTINUE TO DECLINE SYRIAN IMPORTS FROM PRIMARY TRADING PARTNERS (WESTERN EUROPE) WILL GROW MORE EXPENSIVE. ON THE OTHERHAND DECLINE IN VALUE OF SYRIAN POUND WILL NOT AFFECT PRINCIPAL SYRIAN EXPORTS (COTTON, CRUDE OIL) BECAUSE OF INELASTICITY IN THEIR DEMAND. ON THE OTHER HAND, DE FACTO DEVALUATION OF SYRIAN POUND SHOULD MAKE SLIGHT DIFFERENCE IN MAKING SYRIAN MORE ATTRACTIVE FOR TOURISM (HIGH COST OF TOURISM IN SYRIA APPEARS TO BE KEEPING SAUDI TOURISTS AWAY ACCORDING TO SAUDI EMBASSY SOURCES), AND MAY REDUCE DEMAND FOR SMALL PERCENTAGE OF MORE ELASTIC IMPORTS.

2. THERE IS ALSO HOWEVER A BUILT IN RESISTANCE TO FIDDLING WITH THE EXCHANGE RATE ACCORDING TO AQQAD UNLESS THE OFFICIAL
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RATE DIFFERS SIGNIFICANTLY FROM THE BLACKMARKET RATE. WITH THE DECLINE OF THE DOLLAR THE BLACK MARKET RATE IS NOW 4.04 DOWN FROM A HIGH OF TWO MONTHS AGO OF 4.14 AND IS APPROACHING THE OFFICIAL RATE.
MURPHY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REVALUATIONS, POUND (CURRENCY)
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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Original Classification: CONFIDENTIAL
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1907763
Secure: OPEN
Status: NATIVE
Subject: REVALUATION OF SYRIAN POUND
TAGS: EFIN, SY
To: STATE
Type: TE
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